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SIPDIS

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SUBJECT: IZMIR VIEWS ON APP CLOSURE, OVACIK MINE RESTART, CHP AND AKP DYNAMICS

REF: 04 ANKARA 6206

1. (SBU) Summary: In meetings in Izmir February 2-4, Izmir liaison officer informed municipal, business and academic officials of the Congressional decision to close the Izmir American Presence Post and the U.S. plan to reopen a consular agency. Regarding U.S. efforts to reopen the Ovacik Gold mine operated by Newmont, Deputy Governor Gunes asserted that the decision on the mine would not be made by the Izmir governor's office, but by the relevant ministries in Ankara. Mayor Kocaoglu and local CHP officials smarted at the sparring at the recent CHP Congress and hoped that the negative elements in the party's factions could be purged. The deeply religious Gaziemir AKP district chairman noted that admiration for Erdogan had spurred wide interest in participation in local politics -- while the CHP Gaziemir head accused local AKP officials of corruption and switching from DYP just before the mayoral election to assure victory. End Summary.

2. (SBU) On February 2-4, Izmir liaison officer met with Izmir Mayor Aziz Kocaoglu, Deputy Governor Gunes, Chamber of Commerce President Demirtas, the President of Izmir Economic University, and political party representatives to inform them of Congress' approval of the State Department's recommendation to close the American Presence Post in Izmir as of January 21. Liaisonoff assured the contacts that, as Ambassador Edelman had underlined in his 10/25/04 visit to Izmir (reftel), while a U.S. diplomat would not be permanently assigned to Izmir, representatives of the U.S. mission in Turkey would visit Izmir on a regular basis to follow regional political and economic developments. Moreover, the U.S. would continue to provide consular services to Izmir residents by reopening a consular agency in Izmir in the near future. Although disappointed to learn of the change in status of the U.S. presence in Izmir, particularly given the transfer of U.S. NATO personnel to Izmir, Mayor Kocaoglu and Chamber President Demirtas were pleased to learn of U.S. plans to reopen a consular agency.

Ovacik Gold Mine Restart: Ankara to make the Decision

3. (SBU) Raising with Deputy Governor Fevzi Gunes the continuing closure of Newmont Mining Corporation's Ovacik Gold Mine in Bergama, liaisonoff stressed that the U.S. is following Newmont's problems closely, and that Newmont asserts it is following high standards of environmental protection at the mine. Noting losses to both the company and to the regional economy, liaisonoff encouraged Gunes to look favorably on restarting mine operations, and added that contrary to press reports, Ambassador Edelman had not visited the mine. Deputy Governor Gunes said that the decision on the mine permit problem would not be made in Izmir, but would be made by relevant ministries -- Health, Environment, and Agriculture) in Ankara. (Comment: Newmont insists that a special commission within the Governorate is charged with the permit decision, not Ministries in Ankara. End Comment.)

4. (SBU) Chamber of Commerce President Demirtas commented in a separate meeting with liaisonoff that environmental groups are becoming increasingly more influential in Turkey -- and implied that although Newmont was now environmentally vigilant, Newmont had not been sufficiently careful in monitoring seepage of minerals into ground water at the beginning of the project.

Concerns and Opportunities in the Commercial Field

5. (SBU) Demirtas shared his concerns about prospects for Izmir textile company revenues in 2005 given the lifting of quotas in the textile industry. He looked forward to the Coast Guard visit to Izmir in mid-February to discuss port security, and hoped for a reciprocal visit of Turkish officials to U.S. ports. Demirtas was pleased with the expansion of the Vestel computer facility based in nearby Manisa, and he expected that a U.S. company would place a bid on a new port development in Izmir.

Mayor Kocaoglu: Now Confident in his Position

6. (SBU) Mayor Kocaoglu of the CHP, who was elected in spring 2004 following the death of popular CHP Mayor Pristina, was eloquent and clearly comfortable with the

responsibilities of his new office. (Izmir university professors and CHP party representatives sang his praises in separate meetings with liaisonoff.) Kocaoglu discussed his ambitious plans for expanding transportation and industry in Izmir, including development of a 5-kilometer metro system up to the new free industrial zone. Kocaoglu claimed that tourism to the city had increased by 40 per cent over the past year. Noting the immigrants to Izmir hail from all over Turkey, not just the east, he said one of his chief goals was to assist the city's poor. Kocaoglu downplayed the problems connected with trafficking in persons in Izmir, contending that TIP was present in Istanbul or Antalya, not Izmir. In a separate meeting, the CHP women's branch leader, Guler Tuncoku, and former women's branch leader and bar association member Pelin Erda also discounted TIP as an issue of concern in Izmir.

Izmir Reflections on CHP Party Congress

17. (C) Kocaoglu, who had attended the January 29 CHP Party Congress, conceded that it was not a pretty sight -- and not representative of Ataturk's Republican People's Party. He noted that while there were unpleasant elements in the factions of both Sarigul and Baykal which had to be purged, there were also healthy aspects of each faction, and he hoped the party would be able to focus on positive achievements following the tension of the Congress. Erda, who had attended the Congress as a delegate from Izmir, reflected similar dismay with the developments at the Congress, but noted that the women's branches in Izmir had supported Zivaneli as a candidate -- and commented that Baykal rarely visited Izmir. Both Erda and the CHP Gaziemir district chairman were interested in the U.S. response to Baykal's accusation in the Congress that the U.S. should be blamed for the weakening of CHP following the March 1, 2003, decision in Turkish parliament.

Gaziemir: Erdogan Enthusiasts turn to Politics

18. (SBU) Izmir liaisonoff visited the AKP and CHP district party leaders on February 4 in Gaziemir, a growing district near Izmir's airport, where an AKP mayor won in the 2004 local election. PM Erdogan, on an official visit to Izmir February 3-4, was due to stop in Gaziemir later the same day. AKP district leader Ismail Akdag, a young, energetic chairman who owns a local spare parts business, said that Erdogan's leadership and charisma convinced Akdag and many other AKP supporters in Gaziemir to actively participate in political life. After another AKP Gaziemir council member -- a retired security official from Erzurum -- joined the meeting, Akdag launched into a mini-sermon, avowing that establishing positive relations between people is the most important activity in life -- not temporal matters such as real estate or wealth. He predicted even greater gains for AKP in Gaziemir in the next local election.

19. (SBU) The CHP Gaziemir chairman, Yuksel Demirsoy, and a contingent of CHP local representatives, clearly Baykal supporters, defended CHP's role in Turkish history, and were sensitive about AKP's growing power in Gaziemir. Demirsoy and his colleagues accused AKP of corruption, of obtaining supporters by distributing money and gifts, and noted that the new AKP Gaziemir mayor had switched parties from DYP shortly before the election to assure victory. CHP Gaziemir women's branch representatives were engaged in charitable campaigns to win voters, funding and operating associations for handicapped citizens.

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